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Personal motor vehicle importation decision illogical, ill-advised and ad hoc

The Motor Trades Association of Australia Limited (MTAA) said today's announcement by the Federal Government to allow personal imports of 'new' vehicles from 2018 is illogical, ill-conceived and will significantly increase risk to consumers.

MTAA CEO Richard Dudley said it is a misnomer to masquerade the decision under the auspices of increasing competition and consumer choice.

'If the Government was serious about increasing competition then they should immediately get rid of the unconscionable Luxury Car Tax (LCT) and reform the myriad of other taxes impacting motor vehicle purchase in Australia ' Mr Dudley said.

'Nor is there any logic to the increasing consumer choice claim given Australia is already the most competitive right hand drive market in the world with 67 brands, more than 400 model variants,(with more on the way) for just over 23 million people' he added.

MTAA is disappointed that government is prepared to water down long standing and in some cases hard fought consumer protections and shift the onus back onto the consumer by adopting a 'buyer beware' risk mitigation strategy on such a major purchase decision.

Mr Dudley said that even if it could be assumed an Australian consumer ticked all the boxes to personally import a vehicle that met the new requirements, other significant risks remained and questions raised during consultations, are still unanswered.

'How can a consumer be assured that the vehicle is fit for Australian roads and driving conditions? How can they get assurance that any warranty that is provided will be honoured and by who? That parts are available, repairs to manufacturer specifications can be made and the information necessary to undertake those repairs is readily available? Where does the consumer go if any one of these areas becomes a problem?' he said.

Mr Dudley said if Government estimates of 30,000 personal imported vehicles are realised, this could potentially translate into 30,000 cases of consumer complaint and consumer hardship, particularly from second or third generation owners who may not be aware of the original market the vehicle was sourced from.

'Unfortunately, consumers may not be afforded to the same protections offered under the Australian Consumer Law and manufacturers have no obligation to provide warranty on privately imported vehicles or to service and maintain those cars. Where will be the red tape savings in this?' Mr Dudley said.

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